STATE OF LOUISIANA

DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF:	*	**Settlement Tracking No.**
	*	**SA-AE-13-0001**
SHAW ALLOY PIPING PRODUCTS, LLC	*	
	*	**Enforcement Tracking No.**
AI # 8577	*	**HE-CN-09-0494**
PROCEEDINGS UNDER THE LOUISIANA	*	**HE-CN-09-0494A**
ENVIRONMENTAL QUALITY ACT	*	**AE-PP-10-00515**
LA. R.S. 30:2001, ET SEQ.	*	**Docket No. 2011-8058-EQ**

SETTLEMENT

The following Settlement is hereby agreed to between Shaw Alloy Piping Products, LLC ("Respondent") and the Department of Environmental Quality ("DEQ" or "the Department"), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. ("the Act").

I

Respondent is a Limited Liability Company that owns and/or operates a facility located in Shreveport, Caddo Parish, Louisiana ("the Facility"). The facility produces pipe fittings for the petrochemical, power generation and food processing industries.

II

On February 10, 2010, the Department issued to Respondent a Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **HE-CN-09-0494**, which was based upon the following findings of fact:

The Respondent owns and/or operates a facility known to the Department as Shaw Alloy Piping Products, Inc., located at 740 North Market Street in Shreveport, Caddo Parish, Louisiana. The facility manufactures piping fittings for the petroleum and nuclear energy industries. The facility generates D002 (corrosive) and D007 (chromium) hazardous waste as a result of its operations and has notified the Department as a large quantity generator of hazardous waste under EPA facility identification number LAT000618520.

On or about August 24, 2009, an inspection of the facility was conducted to assess compliance with the Hazardous Waste Regulations. The inspection and subsequent file review revealed the following violations:

A. The Respondent treated hazardous waste without a standard permit, in violation of LAC 33:V.303.B. Specifically, the Respondent removed a portion of acid filter cake from a hazardous waste accumulation container and treated this material by allowing it to dry on a piece of cardboard placed on top of the hazardous waste accumulation container. According to a statement provided during the inspection by Mr. James Fallis, the facility's Environmental, Health, and Safety Manager, the material was allowed to dry prior to collecting a hazardous waste determination sample. Additionally, Mr. Fallis stated, that by allowing the material to dry prior to collecting a hazardous waste determination sample, the associated analysis would likely indicate that the material was no longer a hazardous waste.

B. The Respondent failed to determine if solid wastes generated at its facility were hazardous wastes, in violation of LAC 33:V.1103. Specifically, according to a statement provided during the inspection by Mr. James Fallis, the material was allowed to dry prior to collecting a hazardous waste determination sample. Additionally, Mr. Fallis stated, that by allowing the material to dry prior to collecting a hazardous waste determination sample, the associated analysis would likely indicate that the material was no longer a hazardous waste. By failing to collect a representative sample, the Respondent failed to make an appropriate hazardous waste determination for this solid waste and any other similar solid wastes that were allowed to dry prior to sampling.

C. The Respondent failed to sufficiently close a container storing hazardous waste in accordance with the requirements of LAC 33:V.2107.A, in violation of LAC 33:V.1109.E.4. Specifically, during the inspection, the Department observed that the satellite accumulation container located beneath the acid cake filter press and containing hazardous waste acid cake (D007) was not kept closed when the manual filter press was not operating.

D. The Respondent failed to mark containers of hazardous waste with an accumulation start date, in violation of LAC 33:V.1109.E.1.c. Specifically, the Respondent failed to mark an accumulation start date on one (1) full 55-gallon container of hazardous waste acid filter cake (D007) that was located near the acid cake filter press.

E. The Respondent failed to mark a hazardous waste satellite accumulation container with the words "Hazardous Waste" or other words identifying the contents of the container, in violation of LAC 33:V.1109.E.4. Specifically, the Respondent failed to label one (1) 55-gallon container used to accumulate hazardous waste acid filter cake (D007) and located within a satellite accumulation area with the words "Hazardous Waste" or other words identifying the contents of the container.

F. The Respondent failed to label or mark a container of hazardous waste with the words "Hazardous Waste", in violation of LAC 33:V.1109.E.1.d. Specifically, the Respondent failed to mark one (1) full 55-gallon container of hazardous waste acid filter cake (D007) located near the acid cake filter press with the words "Hazardous Waste".

G. The Respondent failed to clearly mark or label universal waste batteries or a container storing universal waste batteries with the words "Universal Waste Battery(ies)" or "Waste Battery(ies)" or "Used Battery(ies) ," in violation of LAC 33:V.3823.A.1. Specifically, the Respondent failed to mark or label eight (8) spent universal waste batteries stored within the facilities universal waste storage area with the words "Universal Waste Battery(ies)" or "Waste Battery(ies)" or "Used Battery(ies)."

III

On November 15, 2010, the Department issued to Respondent an Amended Consolidated Compliance Order & Notice of Potential Penalty, Enforcement No. **HE-CN-09-0494A**, which amended HE-CN-09-0494, issued February 10, 2010 as follows:

"The Department hereby rescinds Findings of Fact Paragraph II.A and II.B in their entirety.

The Department incorporates all of the remainder of the original Consolidated Compliance Order & Notice of Potential Penalty, Enforcement Tracking No. HE-CN-09-0494 and Agency Interest No. 8577 as if reiterated herein."

IV

In response to the initial Consolidated Compliance Order & Notice of Potential Penalty, Respondent made a timely request for a hearing. The Respondent submitted initial comments on the CONOPP on July 28, 2010. On October 8, 2010, the Respondent provided supplemental information in response to questions posed by the Department in a meeting held on September 8, 2010.

V

On July 7, 2011, the Department issued to Respondent a Notice of Potential Penalty, Enforcement No. **AE-PP-10-00515**, which was based upon the following findings of fact:

"On or about January 30, 2011, a file review of Shaw Alloy Piping Products, Inc. (the facility), owned and/or operated by Shaw Alloy Piping Products, Inc. (Respondent), was performed to determine the degree of compliance with the Louisiana Environmental Quality Act (the Act) and the Air Quality Regulations. The facility is located at 740 North Market Street in Shreveport, Caddo Parish, Louisiana. The facility operated under Title V Air Permit No. 0500-00011-V1 from March 24, 2004, to February 6, 2007, and Air Permit No. 0500-00011-03 from February 7, 2007 to May 13, 2009. An Administrative Amendment was issued for Air Permit No. 0500-00011-03 on April 14, 2008. The facility currently operates under Air Permit No. 0500-00011-04, issued on May 14, 2009.

While the Louisiana Department of Environmental Quality's (the Department") investigation is not yet complete, the following violations were noted during the course of the file review:

A. In the 2007 annual report dated March 25, 2008, and a letter dated December 17, 2010, the Respondent reported the following hours that the Fume Scrubber for Passivation Tanks operated out of the specified ranges during the 2007 calendar year:

Fume Scrubber for Passivation Tanks (EQT004) Permitted Flow Rate: >= 100 gallons/hr	
Date(s)	**Hours Operated Out of Range**
2/7/2007 - 2/14/2007	116
2/18/2007	3
2/26/2007	4
6/11/2007 - 6/13/2007	40
6/16/2007	6
8/15/2007 - 8/16/2007	4
9/25/2007	4
10/9/2007	4
10/17/2007 - 10/18/2007	16
10/26/2007 - 10/29/2007	12
10/31/2007	8

Each hour the Respondent failed to operate the Fume Scrubber for Passivation Tanks (EQT004) within the ranges specified is a violation of Specific Requirement No. 51 of Minor Source Air Permit No. 0500-00011-03, LAC 33:III.501.C.4 and La. R.S. 30:2057(A)(2).

B. In the 2008 and 2009 annual reports dated March 25, 2009, and March 25, 2010, and a letter dated December 17, 2010, the Respondent reported the following hours that the Fume Scrubber for Passivation Tanks operated out of the specified ranges during the 2008 and 2009 calendar years:

Fume Scrubber for Passivation Tanks (EQT0004) Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
1/4/2008	8
1/6/2008	16
1/10/2008	12

Fume Scrubber for Passivation Tanks (EQT0004) Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
1/22/2008	4
1/26/2008	6
1/28/2008	4
1/31/2008	4
2/11/2008	8
2/12/2008	4
3/2/2008	26
3/7/2008	4
3/11/2008	4
3/17/2008 - 3/19/2008	40
3/24/2008 - 3/25/2008	12
3/28/2008	8
4/7/2008	8
4/27/2008	4
5/8/2008	16
5/23/2008 - 5/27/2008	32
5/27/2008 - 5/28/2008	16
5/29/2008	4
6/5/2008	4
6/9/2008 - 6/10/2008	38
6/16/2008	4
6/19/2008	4
9/24/2008	4
10/26/2008 - 10/27/2008	21
11/9/2008	4
11/10/2008	8
11/20/2008	4
11/21/2008	4
12/3/2008	4
12/8/2008 - 12/10/2008	20
1/6/2009	4
1/7/2009 - 1/8/2009	24
1/14/2009	4
1/16/2009	4
1/17/2009	17
1/20/2009	8
1/21/2009	4
2/7/2009	17
2/9/2009	8
2/10/2009	4
2/13/2009	4
2/17/2009	4
2/25/2009	4

Fume Scrubber for Passivation Tanks (EQT0004) Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
3/9/2009	8
3/12/2009 - 3/13/2009	12
3/13/2009	12
3/16/2009	8
3/19/2009 - 3/20/2009	16
3/24/2009	4
3/31/2009	4

Each hour the Respondent failed to operate the Fume Scrubber for Passivation Tanks within the ranges specified is a violation of Specific Requirement No. 57 Modified Minor Source Air Permit No. 0500-00011-03, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

C. In the 2009 annual report dated March 25, 2010, and a letter dated December 17, 2010, the Respondent reported the following hours that the Fume Scrubber for Passivation Tanks operated out of the specified ranges during the 2009 calendar year:

Fume Scrubber for Passivation Tanks (EQT0004) Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
6/10/2009 - 6/11/2009	12
6/18/2009 - 6/19/2009	16
6/23/2009	8
6/30/2009	8
7/20/2009	4
8/7/2009	4
8/26/2009	4
10/14/2009	8
10/15/2009	8
12/21/2009 - 12/22/2009	20
12/23/2009	8
12/29/2009 -12/30/2009	16

Each hour the Respondent failed to operate the Fume Scrubber for Passivation Tanks (EQT0004) within the ranges specified is a violation of Specific Requirement No. 59 of Minor Source Air Permit No. 0500-00011-04, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

D. In the 2007 annual report dated March 25, 2008, and letter dated July 15, 2010, the Respondent reported the following hours that the Kolene Scrubber operated out of the specified ranges during the 2007 calendar year:

Kolene Scrubber (EQT005) Permitted Flow Rate: 100 gallons/hour	
Date(s)	**Hours Operated Out of Range**
2/26/2007	12
6/11/2007	16
6/12/2007	16
6/13/2007	8
8/16/2007	12
10/17/2007	16
10/26/2007	8

Each hour the Respondent failed to operate the Kolene Scrubber (EQT005) within the ranges specified is a violation of Specific Requirement No. 56 of Minor Source Air Permit No. 0500-00011-03, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

E. In the 2008 and 2009 annual reports dated March 25, 2009, and March 25, 2010, and a letter dated December 17, 2010, the Respondent reported the following hours that the Kolene Scrubber operated out of the specified ranges during the 2008 and 2009 calendar years:

Kolene Scrubber (EQT0005) Permitted Flow Rate: 1 gallon/min	
Date(s)	**Hours Operated Out of Range**
1/4/2008	8
1/10/2008	12
1/25/2008	4
2/10/2008 - 2/11/2008	28
3/2/2008	20
3/7/2008	4
3/17/2008 - 3/19/2008	40
3/24/2008 - 3/25/2008	8
3/27/2008 - 3/28/2008	12
4/6/2008 - 4/7/2008	32
5/8/2008	16
5/23/2008 - 5/27/2008	32
5/27/2008 - 5/28/2008	12
6/5/2008	4

Kolene Scrubber (EQT0005) Permitted Flow Rate: 1 gallon/min	
Date(s)	**Hours Operated Out of Range**
6/9/2008 - 6/10/2008	20
6/16/2008	4
6/19/2008	4
9/4/2008	4
11/20/2008	4
11/22/2008	4
12/2/2008	4
12/3/2008	4
12/31/2008	4
1/7/2009 - 1/8/2009	20
3/19/2009 - 3/20/2009	12

Each hour the Respondent failed to operate the Kolene Scrubber within the ranges specified is a violation of Specific Requirement No. 62 of Modified Minor Source Air Permit No. 0500-00011-03, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

F. In the 2009 annual report dated March 25, 2010, the Respondent reported the following hours that the Kolene Scrubber operated out of the specified ranges during the 2009 calendar year:

Kolene Scrubber (EQT005) Permitted Flow Rate: 1 gallon/min	
Date(s)	**Hours Operated Out of Range**
6/11/2009	8
6/15/2009	12
6/18/2009 - 6/19/2009	16
6/23/2009	8
8/26/2009	4
10/14/2009	8
12/29/2009 - 12/30/2009	16

Each hour the Respondent failed to operate the Kolene Scrubber within the ranges specified is a violation of Specific Requirement No. 66 of Minor Source Air Permit No. 0500-00011-04, LAC 33:III.501.C.4, and La. R.S. 30:2057(A)(2).

VI

The following violations, although not cited in the foregoing NOPP, nor included in any other enforcement actions issued to the Respondent, are included within the scope of this Settlement:

1. A letter provided to the Department by the Respondent dated December 17, 2010 indicates that the Fume Scrubber may have operated out of the specified permit range for six (6) hours on March 1, 2008.

2. In the 2010 annual report submitted on March 15, 2012, the Respondent reported the following hours that the Fume Scrubber operated out of the specified ranges during the 2010 calendar year:

Fume Scrubber for Passivation Tanks (EQT004)	
Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
1/5/10-1/27/10	117.25
1/28/10	4
1/29/10-2/1/10	8.5
2/9/10-2/10/10	15.5
2/11/10	5.5
2/17/10	3.5
2/22/10	3
2/23/10	1.5
2/25/10-2/26/10	1.5
3/29/10-4/12/10	8
4/22/10	1
4/27/10-4/28/10	6.5
5/6/10	2
11/11/10-11/17/10	30.25
11/17/10	2.5
11/29/10	2

3. In the 2011 annual report submitted on March 15, 2012, the Respondent reported the following hours that the Fume Scrubber operated out of the specified ranges during the 2010 calendar year:

Fume Scrubber for Passivation Tanks (EQT004)	
Permitted Flow Rate: >= 1.8 gallons/min	
Date(s)	**Hours Operated Out of Range**
8/25/11	7.75
8/26/11	8
8/27/11	.5
9/16/11	.25

4. In the 2011 annual report submitted on March 15, 2012, the Respondent reported the following hours that the Kolene Scrubber operated out of the specified ranges during the 2010 calendar year:

Kolene Scrubber (EQT005)	
Permitted Flow Rate: >= 1 gallon/min	
Date(s)	**Hours Operated Out of Range**
8/26/11	6

VII

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

VIII

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of SEVENTEEN THOUSAND SEVENTY AND 06/100 DOLLARS ($17,070.06), of which Two Thousand Seventy and 06/100 Dollars ($2,070.06) represents the Department's enforcement costs, in settlement of the claims set forth in this Agreement. The total amount of money expended by Respondent on cash payments to the Department as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

IX

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order & Notice of Potential Penalty, the Amended Consolidated

Compliance Order & Notice of Potential Penalty, the Notice of Potential Penalty and this Settlement for the purpose of determining compliance history in connection with any future enforcement or permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

X

This Agreement shall be considered a final order of the Secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this Agreement, except such review as may be required for interpretation of this Agreement in any action by the Department to enforce this Agreement.

XI

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in La. R. S. 30:2025(E) of the Act.

XII

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in Caddo Parish, Louisiana. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted an original proof-of-publication affidavit and an original public notice to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

XIII

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Payments are to be made by check, payable to the Department of Environmental Quality, and mailed or delivered to the attention of Accountant Administrator, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303. Each payment shall be accompanied by a completed Settlement Payment Form (Exhibit A).

XIV

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement.

XV

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his or her respective party, and to legally bind such party to its terms and conditions.

SHAW ALLOY PIPING PRODUCTS, LLC

BY: _____
(Signature)

_____
(Printed)

TITLE: _____

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20 _____, at _____.

_____
NOTARY PUBLIC (ID #_____)

_____
(stamped or printed)

LOUISIANA DEPARTMENT OF ENVIRONMENTAL QUALITY
Peggy M. Hatch Secretary

BY: _____
Cheryl Sonnier Nolan, Assistant Secretary
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this _____ day of _____, 20_____, at Baton Rouge, Louisiana.

_____
NOTARY PUBLIC (ID # _____)

_____
(stamped or printed)

Approved: _____
Cheryl Sonnier Nolan, Assistant Secretary